

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Sheriff - Coroner	(2) MEETING DATE 7/7/2015	(3) CONTACT/PHONE Ian Parkinson/781-4540	
(4) SUBJECT Request to approve a contract with Keefe Commissary Network, L.L.C. (Keefe Group) for a period of three years. The agreement will automatically renew for two (2) additional one (1) year term(s) thereafter, unless either party gives notice in writing that they do not wish to extend this agreement. All Districts.			
(5) RECOMMENDED ACTION It is recommended that your Board approve and direct the Chairperson to sign a three year contract and will automatically renew for two (2) additional one (1) year term(s) with Keefe Commissary Network, L.L.C. (Keefe Group) to provide commissary, lobby and housing kiosk and deposit services to the San Luis Obispo County Jail inmates.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>8/4/2009</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Geoff O'Quest, Administrative Analyst			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Sheriff - Coroner / Ian Parkinson/781-4540

DATE: 7/7/15

SUBJECT:

Request to approve a contract with Keefe Commissary Network, L.L.C. (Keefe Group) for a period of three years. The agreement will automatically renew for two (2) additional one (1) year term(s) thereafter, unless either party gives notice in writing that they do not wish to extend this agreement. All Districts.

RECOMMENDATION

It is recommended that your Board approve and direct the Chairperson to sign a three year contract and will automatically renew for two (2) additional one (1) year term(s) with Keefe Commissary Network, L.L.C. (Keefe Group) to provide commissary, lobby and housing kiosk and deposit services to the San Luis Obispo County Jail inmates.

DISCUSSION:

Per California Penal Code Section 4025 an Inmate Welfare Fund (IWF) is mandated to provide services essential to the benefit, welfare and educational needs of the inmates confined in the County Jail. Penal Code Section 4025(a) authorizes the Sheriff of each county to establish, maintain and operate a commissary store in connection with the county jail and purchase food, snacks, postage, writing materials, and toiletries items to sell for cash to inmates in the jail.

The Sheriff's Office has been in contract with Keefe Group since 2009 and they have been the primary supplier of the jail's commissary items. The existing contract with Keefe Group expired June 2014, however an extension was granted by County Purchasing through September 30, 2014. Amicable arrangements were made with Keefe Group to continue business until a new Request for Proposal (RFP) and competitive selection process could be completed.

The Sheriff's Office has historically been able to meet time lines and deadlines for contract renewal. However with department turn over, restructuring within the Custody Division, and scheduling construction timelines with two (2) vendors working together for cost sharing and savings the Sheriff's Office fell short of the RFP timeline. The Sheriff's Office has set up future checks and balances to prevent future deadlines from being missed.

The Sheriff's Office worked closely with General Services Purchasing staff to put together a proposal that would meet the needs of the department. Keefe Group and Swanson Company were the only two companies that responded. One of the major requirements of the proposal was a scheduled job walk that started promptly at 8am on June 27, 2014. Keefe Group attended the mandatory job walk but no representatives from Swanson Company attended. It was determined after a review of the criteria of both companies, that Keefe Group fully met all the requirements of the RFP. The Swanson Company met many of the proposal's major criteria but they failed to attend the mandatory scheduled job walk. The service provided over the past five years by Keefe Group has been timely and consistent. The Sheriff's Office has been pleased with Keefe Group's high level of service which has exceeded expectations in service and quality.

Keefe Group proposes to install, wire and provide eight (8) fully automated, tamperproof kiosks in agreed upon locations to run commissary operations. The automated Kiosks in the agreed upon locations within the jail allow users to check their account balances and order commissary without having to fill out paper forms. This automated system creates significant time savings for the Commissary Storekeeper who will no longer need to collect the paper forms and manually check stock inventories. Computer programs and software are compatible and will interface with our current jail

management system.

In some areas of the jail the commissary ordering process will still be done manually because kiosks were not able to be installed due to limitations of the jail's physical layout. In these locations, the inmates submit an order form with listed perishable foods, hygiene products and games. The order forms are then scanned and sent electronically to the vendor who packages and ships each individual order to the Jail for distribution. The proposed automated process even when using the order forms still provides some time savings for the Commissary Storekeeper. As part of the contract, Keefe Group, at no cost to the Sheriff's Office, will package and ship 5,000 inmate hygiene/stationary kits to the Jail each year. These hygiene/stationary kits provide inmates who have no financial means with basic hygiene and stationary products such as toothpaste toothbrush, soap, comb, paper, envelopes, and stamps for personal care.

This contract will include Keefe's Access Corrections Deposit Services. This additional service will facilitate family deposits to inmate trust accounts via website, toll free phone number and deposit kiosks placed in a mutually agreeable site within the jail. The Sheriff's Office will provide power and network connectivity for the kiosk. Keefe Group will guarantee all deposits and Automatic Clearing House (ACH) moneys to designated County of San Luis Obispo bank accounts nightly. The cost of this service can be found on Exhibit B of the Commissary Agreement.

With the approval of this agreement, Keefe Group will begin implementing the computer technology to significantly improve efficiency in commissary operations.

OTHER AGENCY INVOLVEMENT/IMPACT:

General Services assisted in the RFP process and County Counsel reviewed the contract as to legal form and effect.

FINANCIAL CONSIDERATIONS:

The new contract for 2015 includes a commission rate increase from 32.5% to 37%. Based on historical data, it is estimated that the Inmate Welfare Fund revenue will increase annually by \$14,993. Commissions are based on net sales, which are defined as gross sales derived from the sale of commissary services and products, excluding sales taxes and items listed (non-commissioned items) on Exhibit B of the Commissary Agreement. See the table below for the commissions paid to the Inmate Welfare Fund in the last five years.

Fiscal Year	Gross Sales	Less: Non-Commissioned Items	Commissioned Items	Commissions Paid	Commission Rate
2010-11	\$294,649.74	\$25,946.73	\$268,703.01	\$87,328.70	32.50%
2011-12	\$364,235.32	\$33,141.68	\$331,093.64	\$107,605.50	32.50%
2012-13	\$382,626.77	\$37,746.42	\$344,880.77	\$112,086.25	32.50%
2013-14	\$432,603.94	\$41,468.88	\$391,135.06	\$127,127.03	32.50%
2014-15*	\$355,342.98	\$24,958.61	\$330,384.37	\$107,383.08	32.50%

*11 months actual with 1 month estimated

The amount collected and deposited into the Inmate Welfare Fund in the last five years totaled \$541,530.56. These funds are then used for the benefit, welfare and programs for the inmates. Because the commissions are deposited directly into the Inmate Welfare Fund, this contract has no impact to the General Fund.

RESULTS:

The new commissary system will provide for greater accuracy in accounting and ordering, provide an easier ordering process for inmates and save staff time by reducing the time required to manually post payments and balance or reconcile accounts. The new system also allows for the inmates and their families to more easily make deposits at the lobby kiosk, via the internet, or on any personal or public computer. This agreement will benefit all inmates through funding of the Inmate Welfare Fund which is used to supplement inmate programs, legal research materials, clothing, monitoring equipment for safety of inmates, televisions, educational material for programs, hygiene products such as hair clippers, nail clippers and other expenses as authorized by law.